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United States Courts
Southern District of Texas
FILED

MAY 29 2014

David J. Bradley, Clerk of Court

V.

INDICTMENT NO. H-13-548S

UNDER SEAL

SUPERSEDING INDICTMENT

THE GRAND JURY CHARGES THAT:

COUNT ONE

Conspiracy to Distribute a Controlled Substance

From on or about January 2007 up and through the date of this indictment, in the Houston Division of the Southern District of Texas, and elsewhere,

JOSE VILLARREAL a.k.a. Mikey
GILBERTO MENA GARCIA a.k.a Yune
SEVERIANO GARZA, Jr. a.k.a. Borracho
OSVALDO MARTINEZ
GUADALUPE ARECHIGA a.k.a. Lupe

**JAIME GARCIA a.k.a. YuYu
DANIEL VILLARREAL
ISHMAEL VILLARREAL
GERARDO MENA
DANNY SANDOVAL a.k.a. Capo
DAVID GARCIA
GERARDO FLORES
JOEL BLANCO
ERBEY SILLER a.k.a. BiBi
FELIPE LICEA
DANIEL GARZA**

defendants herein did unlawfully, knowingly and intentionally agree, conspire and confederate with each other and others, known and unknown to the Grand Jury, to commit an offense defined in Title 21, United States Code, Section 841(a)(1), that is, to distribute a controlled substance. The violation involved one thousand (1000) kilograms or more of a mixture and substance containing a detectable amount of marihuana, a Schedule I controlled substance.

In violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(A)(vii) and 846.

**COUNT TWO
Possession with Intent to Distribute a Controlled Substance**

On or about September 19, 2011, in the Houston Division of the Southern District of Texas, and elsewhere,

**DANIEL GARZA
JOEL BLANCO**

defendants herein, aiding and abetting each other and others, known and unknown to the Grand Jury, did knowingly and intentionally possess with intent to distribute a controlled substance. The violation involved one hundred (100) kilograms or more of a mixture and substance containing a detectable amount of marihuana, a Schedule I controlled substance.

In violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(B)(vii) and Title 18, United States Code, Section 2

COUNT THREE
Distribution of a Controlled Substance

On or about April 3, 2012, in the Houston Division of the Southern District of Texas, and elsewhere,

OSVALDO MARTINEZ

Defendant herein, aided and abetted by others, known and unknown to the Grand Jury, did knowingly and intentionally distribute a controlled substance. The violation involved a mixture and substance containing a detectable amount of marihuana, a Schedule I controlled substance.

In violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(C) and Title 18, United States Code, Section 2.

COUNT FOUR
Distribution of a Controlled Substance

On or about August 15, 2012, in the Houston Division of the Southern District of Texas, and elsewhere,

OSVALDO MARTINEZ

Defendant herein, aided and abetted by others, known and unknown to the Grand Jury, did knowingly and intentionally possess with intent to distribute a controlled substance. The violation involved a mixture and substance containing a detectable amount of marihuana, a Schedule I controlled substance.

In violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(B)(vii) and Title 18, United States Code, Section 2.

COUNT FIVE
Possession with Intent to Distribute a Controlled Substance

On or about September 28, 2012, in the Houston Division of the Southern District of Texas, and elsewhere,

JOSE VILLARREAL a.k.a. Mikey
SEVERIANO GARZA a.k.a. Borracho
GUADALUPE ARECHIGA a.k.a. Lupe

defendants herein, aiding and abetting each other and others, known and unknown to the Grand Jury, did knowingly and intentionally possess with intent to distribute a controlled substance. The violation involved one hundred (100) kilograms or more of a mixture and substance containing a detectable amount of marihuana, a Schedule I controlled substance.

In violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(B)(vii) and Title 18, United States Code, Section 2.

COUNT SIX
Possession with Intent to Distribute a Controlled Substance

From on or about November 11, 2012 up and through November 20, 2012, in the Houston Division of the Southern District of Texas, and elsewhere,

JOSE VILLARREAL a.k.a. Mikey
GUADALUPE ARECHIGA a.k.a. Lupe
ERBEY SILLER a.k.a. BiBi
GERARDO MENA
JOEL BLANCO

**DAVID GARCIA
DANNY SANDOVAL a.k.a. Capo**

Defendants herein, aiding and abetting each other and others, known and unknown to the Grand Jury, did knowingly and intentionally possess with intent to distribute a controlled substance. The violation involved one hundred (100) kilograms or more of a mixture and substance containing a detectable amount of marihuana, a Schedule I controlled substance.

In violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(B)(vii) and Title 18, United States Code, Section 2.

**COUNT SEVEN
Possession with Intent to Distribute a Controlled Substance**

From on or about December 14, 2012 up and through December 20, 2012, in the Houston Division of the Southern District of Texas, and elsewhere,

**JOSE VILLARREAL a.k.a. Mikey
GILBERTO GARCIA-MENA a.k.a Yune
JAIME GARCIA a.k.a. YuYu
OSVALDO MARTINEZ
ERBEY SILLER a.k.a. BiBi
SEVERIANO GARZA a.k.a. Borracho
GUADALUPE ARECHIGA a.k.a. Lupe
DANNY SANDOVAL a.k.a. Capo
DAVID GARCIA**

defendants herein, aiding and abetting each other and others, known and unknown to the Grand Jury, did knowingly and intentionally possess with intent to distribute a controlled substance. The violation involved one hundred (100) kilograms or more of a mixture and substance containing a detectable amount of marihuana, a Schedule I controlled substance.

In violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(B)(vii) and Title 18, United States Code, Section 2.

COUNT EIGHT
Possession with Intent to Distribute a Controlled Substance

On or about February 11, 2014, in the Houston Division of the Southern District of Texas,
and elsewhere,

JOSE VILLARREAL a.k.a. Mikey
JOEL BLANCO
DANIEL VILLARREAL

Defendants herein, aiding and abetting each other and others, known and unknown to the Grand Jury, did knowingly and intentionally possess with intent to distribute a controlled substance. The violation involved one hundred (100) kilograms or more of a mixture and substance containing a detectable amount of marihuana, a Schedule I controlled substance.

In violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(B)(vii) and Title 18, United States Code, Section 2.

COUNT NINE
Conspiracy to Launder Drug Proceeds

From on or about February 28, 2012 up and through March 1, 2012 in the Houston
Division of the Southern District of Texas and elsewhere, and within the jurisdiction of this court,

OSVALDO MARTINEZ
ISHMAEL VILLARREAL

defendants herein, did knowingly and intentionally agree, combine, conspire and confederate with each other and others known and unknown to the Grand Jury, to knowingly and willfully conduct

or attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of specified unlawful activity, namely, violations of Title 21, United States Code, Sections 841 and 846, with the intent to promote the carrying on of said specified unlawful activity and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity.

In violation of Title 18, United States Code, Section 1956(h).

NOTICE OF CRIMINAL FORFEITURE
(21 U.S.C. § 853(a))

Pursuant to Title 21, United States Code, Section 853(a), the United States of America gives notice to the defendants:

JOSE VILLARREAL a.k.a. Mikey
GILBERTO MENA GARCIA a.k.a Yune
SEVERIANO GARZA, Jr. a.k.a. Borracho
OSVALDO MARTINEZ
GUADALUPE ARECHIGA a.k.a. Lupe
JAIME GARCIA a.k.a. YuYu
DANIEL VILLARREAL
ISHMAEL VILLARREAL
GERARDO MENA
DANNY SANDOVAL a.k.a. Capo
DAVID GARCIA
GERARDO FLORES
JOEL BLANCO
ERBEY SILLER a.k.a. BiBi
FELIPE LICEA
DANIEL GARZA

that, in the event of conviction of a violation of Title 21, United States Code, Sections 841 or 846, as charged herein, the United States of America shall forfeit:

- 1) all property constituting, or derived from, any proceeds obtained, directly or indirectly, as the result of such violation; and
- 2) all property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, such violation.

NOTICE OF CRIMINAL FORFEITURE
(Specific Property Subject to Forfeiture)

Defendants are notified that, upon conviction, the property subject to forfeiture includes, but is not limited to, the following real property together with all appurtenances, improvements, and attachments thereon and legally described as:

1. An eleven acre parcel of property, more or less, out of and a part of the John Dorsey Survey, Abstract No. 174 in Montgomery County, Texas and

being that tract or parcel of land described in an instrument filed in the Deed Records of Montgomery County, Texas under the clerk's File Mark 7701423 in Vol. 972 at page 827 and further described in that Deed of Trust bearing Clerk's File Mark 167910 in Vol. 121 at page 489 of the Montgomery County Texas Real Property Records, less the following parcel of property which shall be withheld from the approximate eleven acres and retained by Grantors under the General Warranty Deed dated May 19, 2009, between Grantors Bobby E. Fletcher and Cora Smith Fletcher, husband and wife, and Grantees Daniel Villarreal and Dominga Guerra Villarreal, husband and wife, and which parcel has been identified and measured by both the Grantor and Grantee and understood to be a parcel of land that is 135 feet wide on Porter Road and 322.67 feet deep – i.e. perpendicular to Porter Rd., which parcel is located on the south east corner of the eleven acres (record title owners: Daniel Villarreal and Dominga Guerra Villarreal);

2. 806 Porter Road, Conroe, Texas 77301, and legally described as Lot 7, Block 12 of Conroe Terrace, a subdivision out of the Sidney Shepard Survey, Abstract Number 501, Montgomery County, Texas as described in Substitute Trustee's Deed from Rector J. Simmons and Margaret J. Simmons to Chase Manhattan Mortgage Corporation as recorded at Clerk's File Number 9773613 of the Official Public Real Property Records of Montgomery County, Texas (record title owners: Daniel Villarreal and Dominga Villarreal);

3. 806 Porter Road, Conroe, Texas 77301, and legally described as Lot 8, in Block 12, of Conroe Terrace, a subdivision out of the Sidney Sheppard Survey, Abstract No. 501, in Montgomery County, Texas, according to the map or plat thereof recorded in Volume 5, Page 170 of the Map Records of Montgomery County, Texas (record title owners: Daniel Villarreal and Dominga Villarreal);

4. Tract One being a 192.55 acre tract of land, more or less, out of Survey No. 339, Starr County, Texas, described in Exhibit "A" attached to the Assumption Warranty Deed dated April 5, 2010, and recorded under Document Number 00290416 in the Real Property Records of Starr County, Texas, and Tract Two being a 37.03 acre tract of land, more or less, out of Survey "G" Block "M" Starr County, Texas, described in Exhibit "A" attached to the Assumption Warranty Deed dated April 5, 2010, and recorded under Document Number 00290416 in the Real Property Records of Starr County, Texas (record title owners: Jose I. Villarreal and Severiano Garza, Jr.);

5. South Expressway 83, Sullivan City, Texas 78595, and legally described as a 0.75 acre tract of land AKA Parcel 2 as shown in Partition

Deed recorded in Volume 1942, Page 793, Deed Records, out of Lot Four (4), Resubdivision of Tracts 244 and 250, Porciones 38, 39 and 40, Hidalgo County, Texas, as per map or plat thereof recorded in Volume 413, Pages 270-271, Deed Records, Hidalgo County, Texas, and which 0.75 acres are more particularly described in the Warranty Deed With Vendor's Lien dated February 14, 2011, and recorded under Document Number 2011-2179495 in the Real Property Records of Hidalgo County, Texas (record title owners: Jose I. Villarreal and Maria G. Villarreal);

6. 502 Alamo Street, Sullivan City, Texas 78595, and legally described as all of Lots 9, 10 and 11, Block 1, Las Cuevas Subdivision, Hidalgo County, Texas, according to the map or plat thereof recorded in Volume 19, Page 161, Map Records of Hidalgo County, Texas (record title owners: Jose I. Villarreal and Maria G. Villarreal);

7. Lots 2 and 3 Block 4, Las Cuevas Subdivision, Hidalgo County, Texas according to map thereof recorded in Volume 19, Page 161, Map Records of Hidalgo County, Texas (record title owners: Jose I. Villarreal and Maria G. Villarreal);

8. Lot 6, Block 2, Las Cuevas Subdivision in the County of Hidalgo, State of Texas, according to the map or plat thereof filed for record in Volume 19, Page 161 of the Map Records of Hidalgo County, Texas (record title owners: Jose I. Villarreal and Maria G. Villarreal);

9. The surface only to Lot 11, La Paloma Ranchettes V, Starr County, Texas, with the reservations and exceptions described in Exhibit "A" attached to the Special Warranty Deed With Vendor's Lien dated February 12, 2007, and recorded under Document Number 00263597 of the real property records of Starr County, Texas (record title owners: Guadalupe Arechiga and Marisol Arechiga); and

10. The surface of Lot 9, Alta Vista Village Phase I, an Addition to the City of Roma, Starr County, Texas according to the map recorded in Volume 3, Page 463, Map Records in the office of the County Clerk of Starr County, Texas (record title owner: Virginia Garza).

NOTICE OF CRIMINAL FORFEITURE
(Money Judgment)

Defendants are notified that, upon conviction, the property subject to forfeiture includes, but is not limited to, a money judgment payable to the United States of America in an amount equal to the total value of the property subject to forfeiture for which the defendants may be jointly

and severally liable. The amount of the money judgment for Count One is estimated to be, but is not limited to, at least \$4,000,000.00 for which the defendants may be jointly and severally liable.

NOTICE OF CRIMINAL FORFEITURE
(Substitute Property)

If any of the property described above, as a result of any act or omission of any of the defendants:


- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p).

A TRUE BILL, /
Original signature on File

FOR PERSON OF THE GRAND JURY

KENNETH MAGIDSON
United States Attorney
Southern District of Texas

BY: 
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